18 June 2020

# Global Markets Research

# Mid-day Currency Outlook

## USD/MYR


*Source: Bloomberg, HLBB Global Markets Research*

**Intraday Thoughts – MYR Neutral**

USDMYR opened 0.19% lower today and is seen trading little changed, matching our neutral expectation today amid a lack of market driver. In the short-to-medium term, the renewed worry about the spike in Covid-19 cases in the US and China as well as the lingering (albeit died down) certainty surrounding US-China tension pose as a downside risk to MYR.

**1-Month Outlook – MYR Neutral**

We are turning neutral on medium term USDMYR outlook, expecting intermittent USD strength as markets would likely stay cautious and risk averse amid lingering concern over a second wave of virus outbreak. That said, there is no change to our long held view of a slightly weaker USD throughout 2020. Potential re-escalation of US-China strained ties may give rise to stronger USD and thus pose a downside risk to the local unit.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| USD/MYR | 4.2643 | 4.2684 | 4.2775 | 4.2810 | 4.2836 |

## MYR Crosses

### EUR/MYR


**EUR/MYR neutral**

EURMYR opened 0.11% lower at 4.8149 and daily outlook is neutral given a lack of market driving force for the euro. Expect the cross to range bound around 4.8100. No change to our view that the pair's movement this week will primarily be USD-driven.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| EUR/MYR | 4.8031 | 4.8065 | 4.8111 | 4.8303 | 4.8347 |

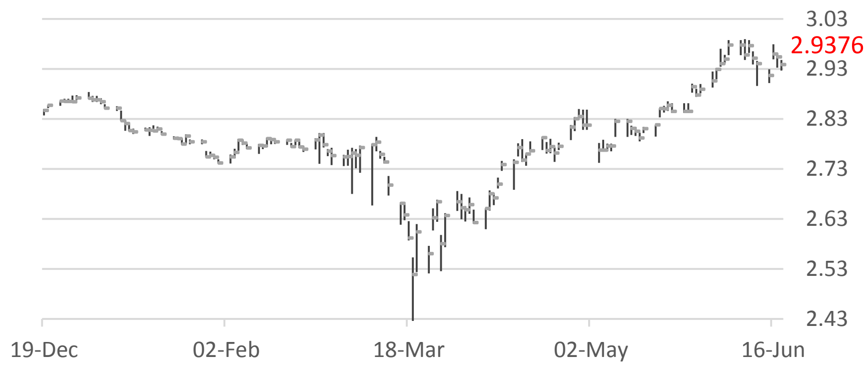
### GBP/MYR


**GBP/MYR neutral**

GBPMYR opened little changed at 5.3751 and daily outlook is neutral in anticipation of BOE MPC meeting. We maintain our long held pessimism surrounding the GBP amid lack of progress in Brexit talks, high Covid-19 death tolls and weakening fundamentals. The risk is skewed towards the downside for sterling and GBPMYR.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| GBP/MYR | 5.3363 | 5.3400 | 5.3670 | 5.3742 | 5.3809 |

### AUD/MYR




**AUD/MYR neutral to slightly bearish**

AUDMYR opened 0.28% lower at 2.9452 and plummeted following a disappointing job report. Daily outlook is neutral to slightly bearish as the pair seems recovering the intraday low. AUD remains stretched and is poised to weaken, spiking cases in Beijing pose as a new risk to AUD.

| | S2 | S1 | Indicative | R1 | R2 |
|---|---|---|---|---|---|
| AUD/MYR | 2.9296 | 2.9332 | 2.9376 | 2.9610 | 2.9644 |

*Source: Bloomberg, HLBB Global Markets Research*

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